

Message Text

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PAGE 01 TEHRAN 07085 100751Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /112 W
-----065449 101136Z /12

R 100618Z AUG 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 3990
INFO AMEMBASSY OTTAWA
AMCONSUL HALIFAX

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E.O. 11652: N/A
TAGS: ENRG IR
SUBJ: IRANIAN INTEREST IN BAKRUP CANADIAN REFINERY?

1. US BUSINESS MAN ROBERT B ANDERSON, FORMER US SECY OF THE TREASURY, CALLED ON AMB AUG 2 TO FURNISH A FEW DETAILS ON HIS EFFORTS TO INTEREST IRAN IN PARTICIPATING IN SOME WAY IN A DEFUNCT OIL REFINERY IN NEWFOUNDLAND. MR ANDERSON EXPLAINED THAT THE REFINERY HAS FALLEN ON HARD TIMES AND NOW STANDS IDLE. HE NEVERTHELESS FEELS THAT THE REFINERY COULD BE GEARED UP TO RECEIVE IRANIAN CRUDE WITH THE SUBSEQUENT REFINED PRODUCTS ENTERING THE US MARKET AS IN EFFECT CANADIAN PRODUCTS. MR ANDERSON OBSERVED THAT HIS PRINCIPALS WERE PREPARED TO CONSIDER VIRTUALLY ANY GOI PROPOSAL BY WAY OF ASSOCIATION WITH THE REFINERY, E.G., PART OWNER; SUPPLIER OF CRUDE ON A LONG TERM BASIS. MR ANDERSON HAD APPOINTMENTS WITH THE MINISTER OF ECONOMIC AFFAIRS AND FINANCE ANSARY AND OTHER GOI OFFICIALS BUT WE DO NOT KNOW THE OUTCOME OF HIS TALKS HERE.

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2. THE CANADIAN EMB HERE TELLS US THAT THE NEWFOUNDLAND REFINERY IS OWNED BY AN AMERICAN CITIZEN, A MR JOHN J SHAHEEN, BUT HAS BEEN SHUT DOWN FOR ABOUT 2 YEARS. APPARENTLY THE REFINERY IS IN RECEIVERSHIP AND THE RECEIVERS HAVE CALLED FOR TENDERS BY SEPT 15 FROM THOSE INTERESTED IN ACQUIRING THE REFINERY. CANADIAN EMB OFFICIAL THOUGHT THAT THE REFINERY HAD LOST MONEY FROM THE OUTSET AND DOUBTED IF

THERE WOULD BE ANY GOI INTEREST IN BUYING INTO IT.

3. IN A SUBSEQUENT CONVERSATION, AN NIOC OFFICIAL FAMILIAR WITH THE BACKGROUND OF THE NEWFOUNDLAND REFINERY SAID THAT NIOC HAS BEEN CONTACTED IN THE RECENT PAST BY REPS OF THE OWNER, REPS OF THE RECEIVERS AND QUASI-CANADIAN GOVT DEL, ALL OF WHOM SOUGHT TO STIMULATE IRANIAN INTEREST IN BAILING OUT THE REFINERY. NIOC SEES 3 MAJOR OBSTACLES TO ANY IRANIAN FINANCIAL PARTICIPATION IN THE REFINERY:

1. TECHNICAL (HIGH REFINING COSTS WITH REFINERY GEARED TO MAXIMIZE LIGHT PRODUCTS),

2. MARKETING (REFINERY HAS ALREADY FAILED, PARTLY BECAUSE OF INSUFFICIENT MARKET DEVELOPMENT), AND

3. LEGAL (CURRENT BANKRUPTCY PROCEEDINGS).

4. NIOC OFFICIAL SAID THAT GOI REALLY NOT INTERESTED BUT IS PREPARED TO LISTEN.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM REFINING, REFINERIES, BANKRUPTCIES
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Review Event:
Review Exemptions: n/a
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